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RUEHNY/AMEMBASSY OSLO 4951
RUEHOT/AMEMBASSY OTTAWA 5098
RUEHLP/AMEMBASSY LA PAZ 0422
RUEHCV/AMEMBASSY CARACAS 0626
RUEHAO/AMCONSUL CURACAO 0255

C O N F I D E N T I A L SECTION 01 OF 02 THE HAGUE 002561

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E.O. 12958: DECL: 12/05/2016
TAGS: [PREL](#) [EAID](#) [ECON](#) [EPET](#) [BO](#) [NL](#)
SUBJECT: NETHERLANDS/BOLIVIA: GONL REMAINS POSITIVE ON
MORALES

REF: THE HAGUE 0031

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Classified By: Political Counselor Andrew Schofer; reasons 1.4 (b, d).

[11](#). (C) Summary: Bolivian President Evo Morales, on his second visit to the Netherlands this year, continued to impress hopeful GONL officials with his goal of social justice and his ability to reach political solutions. The Dutch say Morales understands the need for good relations with the U.S but expresses frustration that the USG does not seem to understand his program of reform. End summary.

[12](#). (C) In a one day visit on November 27, Morales met with Foreign Minister Bot, Prime Minister Balkenende, Queen Beatrix, Minister of Economics Wijn, and Shell CEO Jeroen van der Veer. He also spoke at the Clingendael Institute and visited the Dutch Social Economic Council. Dutch MFA contacts described him as exhausted and said that this affected the quality of his discussions later in the day (presumably with Shell and the Queen). Overall, however, they reported favorably on the visit.

On Private Sector Investment

[13](#). (C) Poloff spoke December 5 with MFA South America Division head Gertie Mulder and MFA Bolivia policy officer (and one-time Havana DCM) Joke Zuidwijk. According to Zuidwijk, Morales made a positive impression on Foreign Minister Bot. Morales stressed to Bot that he had avoided any nationalizations but rather had come to agreements with all parties.

[14](#). (C) Bolivian Minister of Sustainable Development Carlos Villegas visited the northern city of Groningen, home of the Gas Union, a key component of the Dutch public/private natural gas partnership. Mulder added that representatives of Shell were also present. She said that Villegas, too, made an excellent impression on his Dutch hosts and seemed convinced of the importance of private equity in the exploration and exploitation of natural resources.

Dutch Technical Assistance to Bolivian Gas Sector

[15](#). (C) Morales discussed with FM Bot the implementation of a Letter of Intent (LOI) signed in March, for Dutch technical assistance to the Bolivian natural gas sector. According to Mulder, the Dutch will provide modest amounts of training and

technical advice. The Netherlands will coordinate closely with Norway and Canada, both of whom are providing similar aid. Mulder stressed that the Dutch assistance was relatively small but gave no figure. Comment: The Dutch have been struggling since March to get the Bolivians to respond to their offer. End comment.

Morales on the U.S. and the World Order

16. (C) According to Mulder, both Balkenende and Bot advised Morales to maintain good relations with the U.S. Morales, she said, seemed to understand and said that he would appreciate an "open dialogue" in La Paz. He complained, however, that the U.S. Ambassador to La Paz had not attended his inauguration, that a Bolivian senator and a vice president had been denied U.S. visas, and that the U.S. did not seem to understand his program of reform. He assured Bot, however, that he would never break off relations with the U.S.

17. (U) Morales' public address, picked up by Dutch media, was not particularly reassuring. To a packed house - people were turned away for lack of seats - he criticized continuing restrictions on international labor migration and decried a lack of basic rights for illegal immigrants in the U.S. He declared Bolivia would no longer accept assistance with conditions, such as that from the IMF and the World Bank, and that foreign energy companies would no longer dictate to the government. He defended his policies, saying that Bolivia had increased tax revenues and foreign reserves and had, for the first time in 30 years, registered a budget surplus. He also expressed hopes that Shell would invest in oil and gas exploration in his country.

Comment: Dutch Still Trying to Believe

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18. (C) Comment: The Dutch remain optimistic in their assessments of Morales, his goals and his prospects for success. Nowhere is this more evident than among the South America hands working at MFA. That said, the Dutch have quietly dropped their more ambitious technical assistance goals for Bolivia's natural gas sector, working now merely to implement an LOI for what Mulder described as "not a hell of a lot of money." End comment.

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